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Santiago, October 8, 2014

Messrs.
Enersis S.A Shareholders

Ref.: Individual pronouncement as Independent Director not involved in the equity restructuring operation of Central Dock Sud

Dear Sir,

In accordance with article 50 bis of the Chilean Companies Act 18,046 ("LSA" in its Spanish acronym), and through this document I hereby comply with my duty by reporting regarding the equity restructuring operation of the Argentinean electric generating company Central Dock Sud ("CDS") proposed by the Enersis management in order to avoid its dissolution, according to what is established in Argentinean legislation. This company is an affiliate of Enersis S.A. ("Enersis" or "the Company").

The Proposed Operation consists on buying debt with an important discount for creditors and capitalizing the principal of these loans within CDS at face value. With this operation CDS is re-capitalized, thus avoiding its dissolution, along with eliminating its debt and placing the company in a sustainable situation. Among CDS's creditors is Endesa Latinoamérica, Enersis controlling shareholder, which is why it is an operation among related parties.

I. PRONOUNCEMENTS REGARDING THE ENERSIS S.A. DIRECTOR'S CAPACITY AND HIS INDEPENDENCE FROM THE CONTROLLER

1. I hereby declare that I am director of Enersis S.A. since April 22, 2010 and that in this company's last regular shareholder's meeting, held on April 16, 2013 and in which the overall number of directors was renewed, I was elected as Independent Director. I also declare I was elected without any vote from the controlling shareholder and that I have no relation whatsoever with the latter.
2. I hereby declare that in the session of the Enersis Board of Directors dated April 16, 2013, I was designated as a member of the Directors' Committee.
3. I hereby declare that in my capacity as Independent Director I have no conflict whatsoever in the Proposed Operation.
4. I hereby declare that to date I am not a direct or indirect owner of shares or values issued by Enersis.

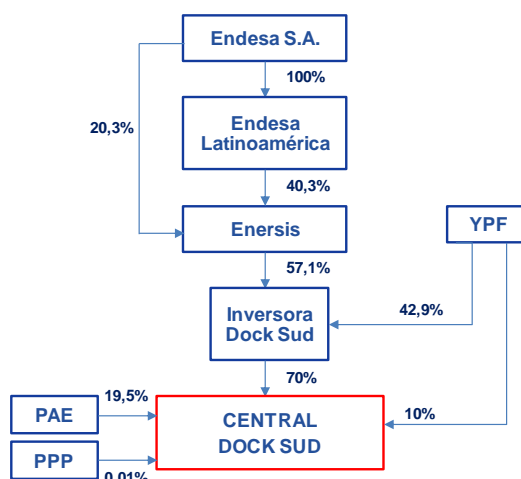
II. BACKGROUND INFORMATION ON THE PROPOSED OPERATION

a) Description of Central Docksud:

Central Dock Sud ("CDS") is an electricity generating company of Argentina, at Avellaneda, Buenos Aires. Its thermal power plant is equipped with an installed capacity 797.5 MW Alstom combined cycle plant (starting operations in 2001) and additionally two gas turbines with an

installed capacity of 72 MW. The replacement value of the plant is at least 1.0 billion dollars. As of June 2014, CDS has 2.8% of the total installed capacity in the country and 4.5% of the total thermal power.

- The direct and indirect owners of CDS are Enersis (40%), YPF (40%) and Pan American Energy (20%). Enersis holds its stake in CDS indirectly through the company Inversora Dock Sud (“IDS”, *holding* investment company).
- Enersis has held its stake as the result of the transfer of shares made by Endesa S.A.’s in-kind contribution, part of the Enersis’ capital increase agreed upon at the Extraordinary Shareholders’ Meeting held on December 20, 2012.
- The current shareholder structure is as follows¹:



- Enersis associates in CDS are important companies in the energy market: YPF is state-owned by the Argentinean government and is the main producer of hydrocarbons in Argentina, with more than 35% of the market in petroleum and gas. In turn, PAE, hydrocarbons exploring and producing company has activities in Argentina, Bolivia, Chile and Uruguay and is the second largest petroleum and gas producer in Argentina. Its associates are British Petroleum (50%) and Bidas (50%).

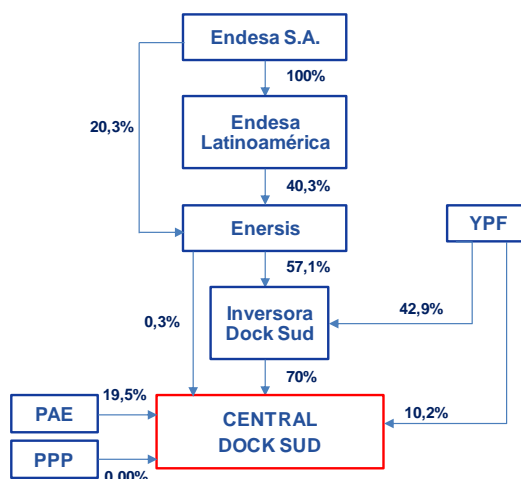
b) Description of the Proposed Operation (Among Related Parties)

- CDS has shown accrued losses in the recent accounting periods, due to its reduced EBITDA, and has not been enough to face the losses caused by exchange rate difference associated to its debt in USD.
- As of the 2013 closing, it is deemed that it will have a net negative equity and the Argentinean Commercial Companies Act, forces the companies to reconstruct its equity as an alternative to its mandatory dissolution and settlement. The effect of such losses in IDS, forcing its dissolution or, alternatively, the reconstruction of its equity.
- The Enersis management, along with other shareholders has considered that a very efficient solution would be to carry out capital increase for its recapitalization, where different creditors (all companies of the shareholders’ economic groups) contribute and capitalize loans in foreign currency that are granted in favor of CDS.
- Enersis does not have any direct loans receivable from IDS or CDS, but its related parent company domiciled in Spain (Endesa Latinoamérica, S.A. (“ELA”) that is not a direct shareholder of any of the last mentioned companies) has them. Loans and a detail of preferred shares as of 12.31.2013 are shown:

¹ PPP: Programa de Propiedad Participada (Participated Ownership Program).

(MMUSD)	YPF	PAE	ELA	ENI	TOTAL
Shareholders' Loan	18.2	9.1	18.2	0.0	45.5
Capital	13.6	6.8	13.6		34.0
Interest	4.6	2.3	4.6		11.5
Structured Debt	64.1	0.0	83.8	0.0	147.9
Capital	38.9		51.8		90.7
Interest	25.2		32.0		57.2
Subordinated Debt	1.7	0.0	0.0	2.2	4.0
Capital	1.7			2.2	3.9
Interest	0.0			0.0	0.1
Preferred Shares (IDS)	16.3	0.0	0.0	21.6	37.9
Capital	4.8			6.4	11.2
Interest	11.5			15.2	26.7
TOTAL	100.3	9.1	102.0	23.9	235.3

- In order to avoid CDS' dissolution it is proposed to carry out the Proposed Operation, among Related Parties that is described as follows:
 - i. ELA sells and assigns the loans it has in favor of CDS to Enersis so that Enersis along with the rest of the IDS and CDS associates, who contribute their loans in order to re-integrate IDS' equity and later CDS'.
 - ii. Loans in both instances will be converted into Argentinean pesos at the exchange rate of 12.31.2013 (6,521 AR\$/US\$) and later contributed at its nominal value for all creditors in equal conditions, previously condoning CDS for the payment of accrued interests and other concepts (commissions and rescue penalty differences), or those pending future accrual. In exchange for loans, creditors will receive shares issued by IDS and CDS, respectively, proportionally to their loans.
 - iii. Given that the PAE and YPF associates proportionally have less loans to be capitalized than those Enersis will have after buying the loans from ELA, and in order to keep relatively equal the shareholdings of entrepreneurial groups prior to the operation the associates have agreed as follows:
 - PAE (Pan American Energy or any of its affiliates) contribute MMAR\$125 cash pending capitalization and that,
 - CDS amortizes MMAR\$ 88 of the loans Enersis acquires, whose value will not be capitalized.
 - iv. Once this operation is finalized, the shareholding structure in IDS and in CDS would be the following²:



- Dated September 19, 2014, Enersis, ELA, IDS and YPF have received an irrevocable offer ("Capitalization Offer") by PAE, with a 70-day duration, presenting the aforementioned Proposed Operation and that commits PAE to contribute MMAR\$ 125

² It is probable that Endesa, S.A. will be replaced by Enel Energy Europe, according to the current on-going operation that Enel SpA has announced.

and that commits them to execute the corresponding actions as shareholders and creditors once the rest of the associates accepts it,

- On September 22, 2014, YPF communicated to the remaining shareholders its acceptance without conditions of the offer PAE made.

III. PRONOUNCEMENTS REGARDING THE REPORTS RECEIVED

In order to pronounce my opinion I have taken the following into consideration:

1. Independent Appraisal Report dated October 2, 2014 issued by Banco Itaú BBA de Banco Itaú Chile (hereinafter "IBBA"), entrusted by the Enersis Board of Directors
2. Independent Appraisal Report dated September 30, 2014 issued by IM Trust Asesorías Financieras S.A. (hereinafter "IM Trust"), entrusted by the Directors' Committee.
3. Report issued by the Directors' Committee dated October 6, 2014.

In my opinion both Independent Appraisers IM Trust and IBBA have due independence and have received all information and reasonable times to carry out their tasks. Their reports are at all shareholders' disposal.

III.1. Independent Appraisal Report Designated by the Board of Directors: IBBA

Dated October 2, 2014, the Independent Appraiser IBBA appointed by the Enersis Board of Directors issued a report indicating that the market value of the loan ELA holds against CDS, to be acquired by Enersis is estimated to be between a range of USD 20.1 to 50.7 million, indicating that it generates value for Enersis if the purchase is made at a value lower than USD 33.8 million (page 4 of its report).

Such company used the following methodologies:

- a. Valuation of discounted cash flows
- b. Transaction multiples of comparable companies
- c. Preceding transactions
- d. Independent valuations (includes one performed within the framework of the Enersis capital increase and the implicit valuation of the PAE contribution in the CDS capitalization).

III.2. Independent Appraisal Report Designated by the Board of Directors: IM Trust

The Independent Appraiser IM Trust appointed by the Enersis Directors' Committee issued a report indicating that values the debt to be acquired by Enersis within a range of USD 21.1 to 23.6 million (page 50 of its report).

Such company used the following methodologies:

- a. Valuation of discounted cash flows: different scenarios were simulated considering a base case that takes on the application of Resolution 529 until 2027 and conservative cases, with sensitivity analysis of some variables (discount rate, exchange rate and regulatory schemes)

Valuation included additional sensitivity analysis of:

- Optimistic discounted cash flow scenarios
- PAE's contribution of assets
- Comparable companies market multiples

INDEPENDENT DIRECTOR'S OPINION

Article 147 of the LSA establishes that the criteria to approve an operation with a related party: (i) that the operation should contribute to the best company interest and that of all shareholders and (ii) reach price, terms and conditions similar to those prevailing in the market at the time of its approval.

a. IV.1. Contribution to the best company Interest

The Directors' Committee on exercising its functions, studied and verified that effectively these loans were owned by a third party on not forming part of the 2013 Enersis' capital increase and, therefore, make their purchase and sale possible.

In addition, I reviewed the March 2013 Enersis S.A. Share Subscription Contract, under the context of the capital increase and the opinion of external attorneys and the company's internal legal counsel was requested in the Directors' Committee in relation to the representations and guarantees established in the contract. I also asked the independent appraisers if they had reviewed this contract to carry out their assessment, who answered my questions in their respective reports.

I consider that for Enersis with all the information and background information in relation to the Proposed Operation it would be positive to carry out the Proposed Operation from the strategic and business point of view, acquiring with a discount the loans held by ELA and performing the capitalizations established for CDS and IDS, as long as that the acquisition is performed in adequate price and terms.

From my point of view, the main value arguments for this transaction are:

- The CDS generation plants are underscored to be a high quality asset, given their high level of availability, their good maintenance conditions, their strategic location in Buenos Aires, electric demand center of Argentina, ratified by their high replacement value.
- The operation has the objective of avoiding CDS' dissolution, reversing its negative equity situation, on directly reconstituting its equity in convenient conditions. In addition, Enersis will receive cash flow within the capitalization context. CDS will generate profits through condoning interests and post capitalization the company will be without any debt and considering that its current remuneration remains, it will show a positive EBITDA.

Therefore, in my opinion the Proposed Operation does contribute to the Enersis company interest considering that it is performed at an adequate price and terms.

IV.2. Market price and terms and conditions prevailing in the market

The following is a summary of the estimated value for Enersis made by the independent appraisers:

	Value of Loans	Methodology and Assumptions
IM Trust	MMUSD 21.1 to 23.6	Range of values resulting from the calculation of CDS discounted cash flow methodology, weighed to 50%, averaged over 3 other more conservative scenarios (together averaging 50%), considering that once the capitalization is finished, the ELA loans would allow Enersis to have 29.24% of the CDS cash flows, plus the repayment of AR\$ 88 million from Argentina at the official exchange rate, less the payment of taxes in Chile for the capital gains on the loan with regards to capitalization (one time) and less the annual tax payment on personal assets in Argentina of 0.5% of capital.
IBBA	Less than MMUSD 33.8	Range of values resulting from the calculation of CDS discounted cash flow, considering that once the capitalization is finished, the loans will allow Enersis to have 40.25% of CDS cash flows, plus the repayment of AR\$ 88 million from Argentina at the official exchange rate, less the payment of taxes in Chile for capital gains on the loan (one-time) and less the annual tax payment on personal assets in Argentina of 0.5% of the capital.

IBBA establishes on presenting its report that if ELA does not reach an agreement with Enersis, ELA could sell the loans it holds against CDS to a stress fund. This is part of the grounds why according to IBBA the purchase of the loans allows Enersis to have access to 40.25%. In my opinion this is not valid because:

- It would generate a serious political problem to Endesa, S.A./Enel in Argentina and Chile.
- It would be highly probable that Endesa S.A. would have to face claims from other shareholder in CDS (PAE to YPF)
- It would give signs to the market that Endesa S.A./Enel would not have the capacity of managing CDS' asset.
- A stress fund does not purchase at market value, it rather does so with low market values.
- I do not know market precedence that an entrepreneurial group has sold debt of a subsidiary to a stress fund.

The sales possibility of loans to a *stress fund* by ELA corresponds to a theoretical scenario that is improbable and non-presentable. It would be impossible to defend an operation of that nature to Enersis associates.

Considering the above, in my opinion it is correct to consider that the purchase of the loans would allow Enersis to value (access) 29.24% of CDS post-capitalization.

In relation to the assumption that both IM Trust as well as IBBA make that the AR\$ 88 million can be repatriated to Chile at the official exchange rate, indicating that there is an open exchange channel to this type of exchange rate, it is possible that this channel can eventually close due to the Argentinean political-economic instability. If the exchange channel closes, the actual exchange rate to which this amortization of the debt principal is cash down with settlement ("*contado con liquidación*"), as long as that this market remains open.

In addition, I have considered the discounted cash flow scenarios recommended in each one of the valuations, including as a dominant factor that the application of Resolution 529 would be kept in the valuation horizon. This assumption is already optimistic, considering the regulatory frailty characterizing Argentina.

Considering all the aforementioned, in my opinion in order to define the market value that Enersis should pay ELA for the loans the following must be considered:

- Enersis will valorize 29.24% of the CDS post-capitalization value through these loans, completing a total of 40.25% of the CDS shareholding equity,
- Discounted cash flows must be used considering the application of Resolution 529 as a dominant factor for all the horizon forecast years.
- Eventual repatriation to Chile of the AR\$ 88 million could be at the official exchange rate providing the exchange channel remains open.

It is considered with the prior assumptions that the maximum value that Enersis must pay ELA for the loans is USD 23.8 million, considering an exchange channel open to the official exchange rate of the date of the independent appraisers' reports.

IV. CONVENIENCE OF THE OPERATION

In my opinion the Proposed Operation among related parties would be convenient for the company interest and of all shareholders providing it is materialized paying ELA for the loans for USD 23.8 million or less, assuming an open exchange channel to the official exchange rate on the date of the reports from the independent appraisers.

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Director
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